

DEPARTMENTAL BUDGET INFORMATION AUDITOR GENERAL (50)

MISSION

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and improve the operations of City government. We promote the economy, efficiency and effectiveness of City government and protect against fraud, waste and abuse by conducting independent audits, investigations and evaluations; by keeping the City Council and the Mayor fully and currently informed of our work; by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty and integrity among OAG staff and the people we serve.

DESCRIPTION

The Office of the Auditor General performs audits of each City agency and prepares written reports which convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The Office of the Auditor General also performs special projects and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its Federal financial assistance programs are

performed by qualified outside auditors hired by the Office of the Auditor General.

The OAG has the responsibilities and authority, as stated in Section 4-205 of the Charter of the City of Detroit, to make audits of the financial transaction of all City agencies; to make a report of the financial position of the City after the close of each fiscal year; to investigate the administration and operation of City agencies; and to make reports to City agencies of irregularities of practice and erroneous accounting methods.

The OAG's primary responsibilities include the examination and evaluation of the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. This entails the following:

- ❖ A review of the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- ❖ A review of the systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations and reports;
- ❖ A review of the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- ❖ An appraisal of the economy and efficiency with which resources are employed;
- ❖ A review of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.

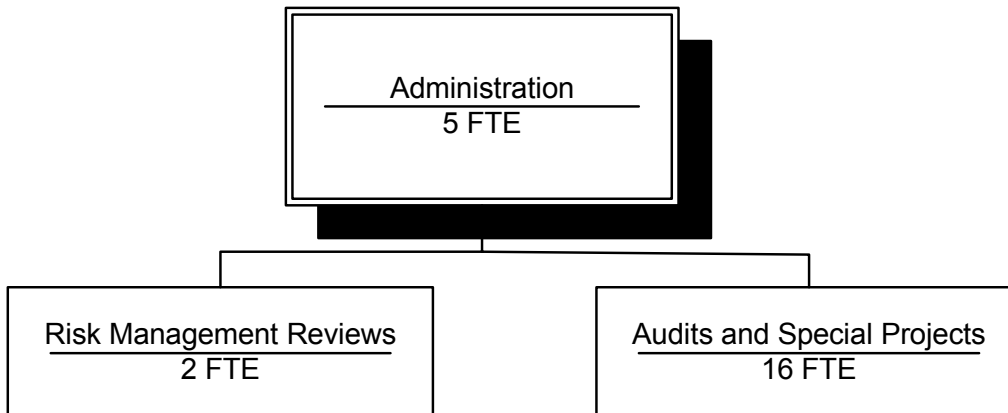
**DEPARTMENTAL BUDGET INFORMATION
AUDITOR GENERAL (50)**

MAJOR INITIATIVES

The Office of the Auditor General's major initiatives planned for the fiscal year ending June 30, 2005 include a five-year financial forecast, audits of construction contracts, an expansion of ongoing reviews of selected purchases, and a comprehensive review of the City's risk management process

PLANNING FOR THE FUTURE:

Among the issues confronting the Office of the Auditor General are the inadequate number of qualified auditors, the difficulty in attracting experienced auditors, and the low level of productivity by some of the auditors. The Auditor General will continue to attract, train, supervise and motivate auditors, in order to meet our Charter mandate and the goals established for the year.



**DEPARTMENTAL BUDGET INFORMATION
AUDITOR GENERAL (50)**

PERFORMANCE GOALS, MEASURES AND TARGETS

Goals: Measures	2002-03 Actual	2003-04 Projection	2004-05 Target
Conduct performance audits, and special projects, such as investigations, benchmarking, research, and City Council requests, including an analysis of the Mayor's proposed budget, and submit reports on related findings to the City Council and to the Mayor. Reports submitted	0	5	6
Perform Internal Control Reviews and audits of financial transactions of City agencies and the City as a whole, and submit reports on related findings to the City Council and the Mayor. Reports on Audits of Financial Transactions	0	17	20
Hear and make decisions on all claims forwarded from the Law Department and communicate the outcome in a timely manner: Claims hearing	136	110	110

DEPARTMENTAL BUDGET INFORMATION
AUDITOR GENERAL (50)

EXPENDITURES

	2002-03 Actual Expense	2003-04 Redbook	2004-05 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 1,069,886	\$ 1,572,091	\$ 1,410,297	\$ (161,794)	-10%
Employee Benefits	512,872	909,569	919,157	9,588	1%
Prof/Contractual	404,599	600,000	600,000	-	0%
Operating Supplies	14,438	17,600	13,800	(3,800)	-22%
Operating Services	135,503	161,638	153,868	(7,770)	-5%
Capital Equipment	36,949	17,000	22,420	5,420	32%
Other Expenses	42,824	16,750	9,000	(7,750)	-46%
TOTAL	\$ 2,217,071	\$ 3,294,648	\$ 3,128,542	\$ (166,106)	-5%
POSITIONS	0	30	23	(7)	-23%

REVENUES

	2002-03 Actual Revenue	2003-04 Redbook	2004-05 Mayor's Budget Rec	Variance	Variance Percent
Sales & Charges	\$ 155,325	\$ 200,000	\$ 240,000	\$ 40,000	20%
Miscellaneous	\$ 150	\$ -	\$ -	\$ -	
TOTAL	\$ 155,475	\$ 200,000	\$ 240,000	\$ 40,000	20%